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13 **UNITED STATES BANKRUPTCY COURT**
14 **NORTHERN DISTRICT OF CALIFORNIA**
15 **SAN JOSE DIVISION**

16 In re:

17 EXCEL INNOVATIONS, INC.

18 Debtor.

Case No. 04-53874 ASW 11

Chapter 11

**YOU TECHNOLOGY, INC.'S CHAPTER 11
STATUS CONFERENCE STATEMENT**

Date: February 14, 2010

Time: 2:15 p.m.

Place: 280 S. First Street
Courtroom 3020

San Jose, California

Judge: Hon. Arthur S. Weissbrodt

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21 YOU Technology, Inc. ("YT"), a creditor of the Debtor, hereby respectfully submits its
22 Chapter 11 Status Conference Statement, as follows:

23 As indicated by the Debtor, the Debtor, YT and the former Indivos shareholder
24 representatives reached a settlement in June at a judicial mediation with Judge Montali. The
25 settlement would divide funds which have been sitting an escrow account for approximately
26 seven years. The motion to approve the settlement was set for hearing on December 4, 2010, and
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1 only one objection was filed.¹ That objection – by Messrs. Medelson, Ginsburg and Silen. - did
2 not object to the economic terms of the settlement but only to the perceived scope of the releases
3 in the settlement document. The Debtor replied to the objection, pointing out that the objecting
4 parties had misinterpreted the settlement agreement. Prior to the December 4, 2010 hearing on
5 the motion to approve the compromise (which was also the time set for a large and apparently
6 controversial fee application by counsel for the Debtor) the Court continued the hearing until
7 February 14, 2010.

8 YT respectfully requests that the Court hear the motion to approve the compromise at an
9 earlier time, separate and apart from the hearing on the fee application of Debtor's counsel.
10 Resolution of the adversary proceeding between YT and the Debtor will clear out many of the
11 issues in the case and is an antecedent to any distribution of any money to any creditor, including
12 counsel or other administrative claimants. Whether the Debtor's case should be converted to
13 Chapter 7 can be addressed at the later hearing (i.e, at the hearing on the contested fee
14 application), by which time YT (and Mr. Hoffman) will no longer be creditors or in any way
15 involved in the Debtor's case.

16 Given the lengthy delay between the settlement in June and the filing of the motion to
17 approve the compromise, the very narrow scope of the sole objection to the compromise, and
18 that approval of the compromise and disbursement of the escrowed funds to the Debtor is a
19 necessary condition to any payment of fees or other claims, YT respectfully requests that the
20 Court set the hearing on the Debtor's motion to approve the compromise at an earlier date,
21 preferably in early January, 2011, so that YT can at last receive its share of the escrowed funds
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26 ¹ The filing of the motion to approve the compromise was unduly delayed by counsel for the
27 Debtor and was not filed until Judge Montali intervened and set a deadline for the filing
28 of the motion at the request of the undersigned.

1 and exit this case. As indicated, the sole objection raises a very narrow issue and resolution of
2 that objection is entirely unrelated to the fee applications or future course of the Debtor's case.²

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4 DATED: December 14, 2010

MANASIAN & ROUGEAU, LLP

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6 By: /s/ Paul E. Manasian
Paul E. Manasian
7 Attorneys for
Creditor YOU TECHNOLOGY, INC.
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26 ² In addition, YT will attempt to resolve the objection, in which case YT would request
27 authority from the Court simply to submit an order approving the settlement upon the
28 withdrawal of the sole objection.